

MEETING SUMMARY REPORT
National College of Business & Technology – Roanoke Valley Campus
1813 East Main Street, Room 135
Salem, VA 24153

April 7, 2005

Regulatory Enforcement Fairness Hearing

Total attendance: 19 + 1 who participated remotely (by ready talk)

Congressional attendance 1

RegFair Board in attendance 0

SBA personnel 4

Agencies attending 4 (DOL; USDA/FSIS; IRS; DOL/Wage & Hour Div.)

No. of comments 5

Small Business Organizations	Point of Contact	Membership
Roanoke Regional Chamber of Commerce	Lisa Link	1,400
Waynesboro Downtown Development	Kathryn Aranda	11
Roanoke Regional Small Business Development Center	Will Andrews	03
Virginia Department of Business Assistance	Wayne Waldrop	42
Total Action Against Poverty	Chris Scott	350
Total Represented		1,806

Summary:

Testifiers:

1. T.C. Capps, Capps Shoe Company

SBA: The issue was that Pittsylvania County should be designated as a HUBZone. Capps Shoe Company is a government contractor producing its product entirely in their factory in Virginia. Large competitors (also government

contractors) have elected to invest in factories in Puerto Rico, enabling them to manufacture their products for less, putting Capps at a disadvantage. In spite of this, Capps has elected to keep all the jobs associated with the production of shoes for the U.S. military in economically depressed Pittsylvania County, VA.

2. Doña Storey, Quality Technical Services

Various Agencies: Issue 1: Prime contractors win an IDIQ contract with a requirement for a small business subcontracting plan. This plan is submitted by the prime when bidding the contract, but the prime does not award any work to the listed small businesses during the initial task order execution. The theory is that awards will be made to the small businesses sometime during the contract; however, if no work is assigned during the first task orders, there is a chance that no further work will be awarded to the prime, and a zero percentage of work would have been assigned to meet the required subcontracting plan. Issue 2: There are instances of government officials and/or representatives displaying less than professional conduct during performance of their duties and when interacting with contractors. In many cases these individuals use foul and abusive language, display irrational behavior, and use intimidation tactics. There have been instances where “standing up to” and confronting this type of behavior has led to attempted retribution by the government official.

3. Christopher Scott, Total Action Against Poverty

IRS and DOL: The first issue discussed was that a large number of TAP’s clients have stated that they understand only a small portion of the state and local tax filing requirements, and as a result, listen blindly to the advice of an accountant for guidance. As small business owners they want to have a better understanding of these matters and suggest that IRS develop a package for very small and micro business owners. The second issue discussed was the immense amount of information entrepreneurs must learn and apply concerning their employees. Many business owners do not understand labor laws, and are afraid to terminate employees as a result. Improvements such as having a labor law specialist to whom entrepreneurs could direct questions would be extremely helpful.

4. Jennifer Cubitt, Bank of Floyd

INS: Discussion concerning the delays in closing SBA loans as a result of waiting for INS verifications.

5. Kathryn Aranda, Waynesboro Downtown Development, Inc.

Office of Thrift Supervision: Treasury: The issue discussed was the Community Reinvestment Act. It was brought out that many of the out of district and large banks fail to reinvest required funds back into communities that deposits are obtained. It was explained that many of the larger banks take capital obtained in the smaller cities and towns and reinvest these proceeds in their later metropolitan areas and that the smaller cities and towns receive crumbs in comparison to the funds obtained.